MERCHANT ACQUIRER TOKENIZATION
PAYMENT PROCESSING - AUTHORIZATION

**Step 1**
Transaction by Customer
Customer presents PAN to merchant POS - Physical or Remote

**Step 2**
Merchant POS Encrypts PAN

**Step 3**
PAN Encryption
Merchant sends Encrypted PAN in Auth. Request, gets Merchant Token in Auth. Response; Merchant stores Merchant Token and deletes PAN

**Step 4**
Gateway/Acquirer
Gateway/Acquirer decrypts the Encrypted PAN and generates Merchant Token

**Step 5**
Payment Network
Payment Network sees PAN, does not see Merchant Token

**Glossary**
PAN = Primary Account Number
POS = Point of Sale
TSP = Token Service Provider

**Issuer Processor**
Issuer Processor authorizes transaction with PAN, does not see Merchant Token

**Issuer**
Issuer sees PAN, does not see Merchant Token